

#### **IC 4-4-23**

##### **Chapter 23. The Indiana Strategic Development Fund**

#### **IC 4-4-23-1**

##### **"Cooperative development project" defined**

Sec. 1. (a) As used in this chapter, "cooperative development project" means a project that is jointly performed by two (2) or more Indiana businesses for the purpose of promoting:

- (1) the development of one (1) or more sectors of Indiana's industrial, business, or agricultural economies; or
- (2) the economic development of a geographic region of Indiana.

(b) The term "cooperative development project" includes the following:

- (1) Marketing programs, including export development.
- (2) Technology development or deployment programs.
- (3) Training programs for current or prospective employees.
- (4) Administrative functions, such as human resources management, payroll, data processing, and information management.
- (5) Other programs approved by the department.

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-2**

##### **"Department" defined**

Sec. 2. As used in this chapter, "department" refers to the department of commerce.

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-3**

##### **"Eligible entity" defined**

Sec. 3. As used in this chapter, "eligible entity" means a:

- (1) city;
- (2) town;
- (3) county;
- (4) not-for-profit corporation established under Indiana law whose primary purpose is the promotion of industrial development or business development, or both, in Indiana; or
- (5) not-for-profit corporation established under Indiana law by two (2) or more Indiana businesses for the purpose of carrying out a cooperative development project under this chapter.

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-4**

##### **"Fund" defined**

Sec. 4. As used in this chapter, "fund" refers to the Indiana strategic development fund.

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-5**

**"Indiana business" defined**

Sec. 5. As used in this chapter, "Indiana business" means a business producing goods or providing services in Indiana.  
*As added by P.L.22-1989, SEC.1.*

**IC 4-4-23-6**

**Establishment; purpose; administration; content**

Sec. 6. (a) The Indiana strategic development fund is established. The purpose of the fund is to promote economic prosperity and employment throughout Indiana through the establishment of a source of funding for cooperative development projects. The fund shall be administered by the department.

(b) The fund consists of:

- (1) amounts appropriated by the general assembly;
- (2) the repayment proceeds of loans made to eligible entities from the fund; and
- (3) money received from any other source.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) Money in the fund at the end of a fiscal year does not revert to the state general fund.

*As added by P.L.22-1989, SEC.1.*

**IC 4-4-23-7**

**Grants and loans**

Sec. 7. The department may use the fund to make grants and loans to eligible entities. These grants and loans are subject to the following conditions:

(1) The grant or loan may be used only to make payments under a contract that:

- (A) is entered into with a group of Indiana businesses that:
  - (i) produce similar services or products;
  - (ii) sell services or products to the same market sector; or
  - (iii) are located in the same geographic region of Indiana;
- (B) requires the Indiana businesses to perform a cooperative development project; and
- (C) requires the Indiana businesses to pay any costs of the cooperative development project that are not paid by the eligible entity.

(2) A grant may not exceed the lesser of:

- (A) fifty percent (50%) of the cost of the cooperative development project to be performed under the contract; or
- (B) two hundred fifty thousand dollars (\$250,000).

(3) A loan may not exceed the lesser of:

- (A) fifty percent (50%) of the cost of the cooperative development project for which the loan is issued; or
- (B) five hundred thousand dollars (\$500,000).

(4) An eligible entity may apply for both a grant and a loan, but the combined grant and loan may not exceed the lesser of:

(A) fifty percent (50%) of the cost of the cooperative development project for which the loan and grant are issued;  
or

(B) five hundred thousand dollars (\$500,000).

(5) The term of a loan may not exceed five (5) years. The department may defer payment of interest and principal on a loan under this chapter for a maximum of two (2) years.

(6) In order to establish a rate of interest for a loan under this chapter, the department shall select a nationally recognized index of municipal bond averages and a date not less than one (1) month nor more than two (2) months before the granting of the loan. The rate of interest on the loan must be one percent (1%) less than the average published on the date closest to the selected date by the selected nationally recognized index, rounded to the next lowest whole percent. The department may determine that the rounding down should be to a fraction of a percent that is a multiple of either one-tenth of one percent (0.1%) or one-fourth of one percent (0.25%).

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-8**

##### **Application for grant or loan**

Sec. 8. An eligible entity that wants a grant or loan from the fund must file an application with the department. Two (2) or more eligible entities may file a joint application for a grant or loan from the fund. An application for a grant or loan must include the following:

(1) A detailed description of the proposed cooperative development project, including a copy of the proposed contract between the eligible entity and the Indiana businesses that will carry out the project if the application is approved.

(2) The purposes for which the grant or loan will be spent.

(3) An estimate of the total cost of the cooperative development project.

(4) A description of the efforts made by the eligible entity to encourage all appropriate Indiana businesses to participate in the proposed cooperative development project.

(5) The following information concerning each Indiana business that will participate in the cooperative development project if the application is approved:

(A) The name of the business.

(B) The number of Indiana residents employed by the business.

(C) The number and location of the facilities operated by the business in Indiana, and the dates on which these facilities began operations.

(D) The type of goods or services produced by the business.

(6) Any other information required by the department.

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-9**

##### **Award of grants and loans; criteria**

Sec. 9. The department shall establish criteria for awarding grants and loans to eligible entities. These criteria must include the following:

- (1) The likelihood that the proposed cooperative development project would be carried out without assistance from the fund.
- (2) The extent to which the proposed cooperative development project will assist the development of:
  - (A) the businesses and eligible entities involved in the project;
  - (B) other businesses and eligible entities located in the same geographic region of Indiana;
  - (C) other Indiana businesses that produce similar services or products; and
  - (D) other Indiana businesses that sell services or products to the same market sector.
- (3) The number of Indiana businesses that will participate in the cooperative development project under the contract with the eligible entity, and the degree to which these businesses are representative of other Indiana businesses that are located in the same geographic region of Indiana, produce similar services or products, or sell services or products to the same market sector.
- (4) Any other criteria that the department considers relevant to its determination.

*As added by P.L.22-1989, SEC.1.*

#### **IC 4-4-23-10**

##### **Obligation under loan; reasonable assurance of repayment**

Sec. 10. A loan from the fund to an eligible entity is not a general obligation of the eligible entity and is payable solely from the revenues and assets of the Indiana businesses that agree to perform a cooperative development project under the terms of the loan. Before making a loan to an eligible entity, the department shall determine that there is reasonable assurance that the loan will be repaid. In making this determination, the department shall consider:

- (1) the financial condition of the Indiana businesses that are to perform the cooperative development project;
- (2) the financial feasibility of the cooperative development project;
- (3) the adequacy of any collateral provided by the Indiana businesses in connection with the cooperative development project; and
- (4) any other information that the department considers relevant to its determination.

*As added by P.L.22-1989, SEC.1.*

Repealed

*(Repealed by P.L.17-1991, SEC.11.)*

#### **IC 4-4-23-12**

**Adoption of rules; implementation of chapter**

Sec. 12. The department may adopt rules under IC 4-22-2 to implement this chapter.

*As added by P.L.22-1989, SEC.1.*